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No. (1)

Supreme Court, U.S.
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In The

Supreme Court of the United States

OFFICE OF THE CLERK

LOREN DAVID,

Petitioner,

v.

MONSANTO COMPANY and MONSANTO TECHNOLOGY LLC,

Respondents.

ON PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

PETITION FOR WRIT OF CERTIORARI

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QUESTION PRESENTED

Is a federal statutory award of attorney fees, expert expenses, and costs in a private law action (not a civil rights action involving important civil and constitutional rights providing a broader, uncompensated benefit to the public), in the amount of $487,000 reasonable in relation to the results achieved, a compensatory damage award of $87,000?

PARTIES TO THE PROCEEDINGS

Pursuant to Supreme Court Rule 14.1, petitioner states that all parties to the proceedings in the court whose judgment is sought to be reviewed are listed in the caption.

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PETITION FOR A WRIT OF CERTIORARI

Petitioner Loren David petitions for a writ of certiorari to review the judgment of the United States Court of Appeals for the Federal Circuit in this case.

OPINIONS BELOW

This appeal is from a judgment of the United States Court of Appeals for the Federal Circuit, reported at 334 Fed. Appx. 326 (Fed. Cir. Oct. 14, 2009) and reproduced in the Appendix at 1a. The Federal Circuit did not issue an opinion relating to this judgment. This case was previously remanded by an opinion of the United States Court of Appeals for the Federal Circuit, reported at 516 F.3d 1009 (Fed. Cir. 2008) (45a). The unreported opinions of the United States District Court for the Eastern District of Missouri are at 4a and 41a. The reported opinions of the United States District Court for the Eastern District of Missouri are at 448 F. Supp. 2d 1088 (2006) (27a), 448 F. Supp. 2d 1095 (2006) (10a), and 2006 WL 3079059 (6a).

JURISDICTION

The judgment of the Court of Appeals for the Federal Circuit was entered on October 14, 2009 (App. at 1a). The jurisdiction of this Court is invoked under 28 U.S.C. § 1254(1).

STATUTORY PROVISIONS

35 U.S.C. § 284

§ 284. Damages

Upon finding for the claimant the court shall award the claimant damages adequate to compensate for the infringement, but in no event less than a reasonable royalty for the use made of the invention by the infringer, together with interest and costs as fixed by the court.

When the damages are not found by a jury, the court shall assess them. In either event the court may increase the damages up to three times the amount found or assessed. Increased damages under this paragraph shall not apply to provisional rights under section 154(d) of this title.

The court may receive expert testimony as an aid to the determination of damages or of what royalty would be reasonable under the circumstances.

35 U.S.C. § 285

§ 285. Attorney fees

The court in exceptional cases may award reasonable attorney fees to the prevailing party.

STATEMENT OF THE CASE

1. On April 12, 2004, Respondents, Monsanto Company and Monsanto Technologies, LLC ("Monsanto") sued Petitioner Loren David ("David") in the United States District Court for the Eastern District of Missouri claiming David infringed Patent No. 5,352,605 ("605 patent") by planting in the crop year 2003 soybean seed David allegedly saved from the crop he harvested in 2002. David denied the charge and to this day maintains he is innocent.[1] The District Court had jurisdiction under 28 U.S.C. § 1338(a) because this is a civil action arising under the United States patent laws.

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[1] Shortly after the expert witness deadline in November 2004, David and his prior counsel severed their relationship. While unrepresented, David commissioned independent plant variety testing to prove what specific plant varieties were represented in the seed samples Monsanto took from David's plowed fields in April 2004 (long after the 2003 growing season). David testified he did so because he knew what the tests would show. These tests showed that the only RR soybean variety David ever planted before 2003, the 2070 RR variety that he legally bought and planted in 2002, *was not* in Monsanto's seed samples, but that the three RR soybean varieties Monsanto concedes David legally purchased in 2003 *were* in the Monsanto samples of seed grown in David's fields in 2003. *David v. Monsanto Company*, 516 F.3d 1009 (Fed. Cir. 2008), *cert. denied* 129 S. Ct. 309 (2008) ("*David I*" Fed Cir. App. 578-583) The variety test dendogram shows the genetic distance between 2070 RR and Monsanto's seed samples is far greater than the genetic distance between the samples and the three varieties David legally purchased in 2003. Present counsel's motion to take the testing expert's deposition was denied because the expert was not timely designated and the test results were excluded at trial because the expert (Russell Rasmussen, Ph.D., STA Laboratories, Longmont, CO) could not testify to provide foundation.

2. The District Court entered judgment September 14, 2006, against David for $787,000 plus post-judgment interest: $226,214.40 compensatory damages under 35 U.S.C. § 284; $10,000 enhanced damages; $323,140.05 attorney fees; $164,608.03 costs and expert expenses; and $63,026.95 prejudgment interest (App. at 43a) The District Court also made a temporary injunction permanent.[2]

3. In 2003, a unit of RR soybean seed purchased at the seed store cost $21. Out of that Monsanto received a $7.75 "tech fee." The remainder of the $21 went to the seed company that produced and owned the specific soybean plant variety, and to the seed store that sold it. (*David I* App. 185-186)

4. Monsanto's retained expert Mark Hoffman testified he did not know what revenue

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[2] The District Court found only that David saved seed in the 2003 growing season. Monsanto did not allege or prove that David sold or transferred any patented seed to another person, Monsanto did not allege or prove that David saved any patented seed from any crop other than 2002, and Monsanto did not allege or prove that David planted any saved patented seed during any crop year other than 2003. *Monsanto Company v. David*, 334 Fed. Appx. 326, 2009 WL 3294671 (C.A. Fed. Oct. 14, 2009) ("*David II*" Fed. Cir. App. 578-583). Monsanto filed its action April 12, 2004, and obtained a preliminary injunction against David in April of 2004. Upon entry of the preliminary injunction, David cancelled his Spring 2004 order of Roundup Ready seeds. Monsanto admitted it tested David's seed harvest in the Fall of 2004 and found no Roundup Ready seeds. Monsanto has not alleged and did not prove any violation by David of the temporary injunction during the pendency of litigation, nor has it alleged any violation of the permanent injunction entered later.

Monsanto lost per unit of saved seed or whether it exceeded the $7.75 tech fee, and that he could have quantified that but was not asked by Monsanto to do so. (*David I* Fed. Cir. App. 179-180)

5. The District Court found David in 2003 planted 4,110 units of infringing saved RR seed. This amounts to a cash loss to Monsanto of $31,852.50 in "tech fees." (4110 x $7.75 = $31,852.50). However, the compensatory damage award of $226,000 was calculated on the basis of a "reasonable royalty" of $55.04 per bag. (*David I* at 516 F.3d 1018) These "reasonable" royalty damages were awarded by the District Court under 35 U.S.C. § 284. (Dist. Ct. Op. April 20, 2006, at 10, 12) (App. 35a and 39a)

6. The Federal Circuit Panel issued its opinion on February 5, 2008, affirming the District Court's judgment, with one exception. The $226,000 compensatory damage award was remanded for reduction because the seed planting rate used by the District Court was clearly erroneous. *David v. Monsanto Company*, 516 F.3d 1009, 1019 (Fed. Cir. 2008), *cert. denied* 129 S. Ct. 309 (2008) ("*David I*").

7. Over $487,000 in attorney fees, expert expenses, and costs were awarded for achieving only a $226,000 compensatory damage award. The District Court's compensatory damage award was made under 35 U.S.C. § 284, which gave Monsanto the measure of compensatory damages it sought: a reasonable royalty on the basis of a hypothetical negotiation. (Dist. Ct. April 20, 2006 Opinion, p. 10-12) (App. at 35a-39a)

8. The original Judgment entered September 14, 2006, awarded $226,214.40 as "a reasonable royalty for defendant's knowing infringement of Monsanto's patent", $323,140.05 for "legal fees", and "costs and expenses pursuant to the parties' Technology Agreement in the amount of $164,608.03." (App. at 43a) The Federal Circuit in *David I* remanded to the District Court the issue of compensatory damages directing that the District Court review the seed planting rate evidence, make new findings, and reduce the compensatory damage award accordingly.[3] 516 F.3d at 1019-1020. The District Court's October 16, 2008 Amended

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[3] The District Court's reduction of compensatory damages from $226,000 to $87,000 presented the Federal Circuit with a different set of facts arising from the trial court below. Under the Federal Circuit's mandate in *David* I, the District Court had no authority to reduce its awards of attorney fees and costs. The mandate of the Federal Circuit constrained the power of the District Court on remand to review and reduction of the compensatory damage award. *Does I-III v. District of Columbia*, 593 F. Supp. 2d 115, 122 (D.C. 2009); *Brown v. Astrue*, 597 F. Supp. 2d 691, 695 (N.D. Tx. 2009); *Planned Parenthood of the Columbia/Willamette, Inc. v. American Coalition of Life Activists*, 518 F.3d 1013, 1018 (9th Cir. 2008); *Children's Broadcasting Corporation v. The Walt Disney Company*, 357 F.3d 860, 870 (8th Cir. 2004) (district court correctly ruled that remand for a "new trial limited to damages" did not allow the district court on remand to decide whether there was "willful and malicious misappropriation" that would merit an award of exemplary damages or attorney fees); *Westinghouse Credit Corporation v. D'Urso*, 371 F.3d 96, 103 (2d Cir. 2004) (stating rule in *Briggs v. Pennsylvania Railroad Co.*, 334 U.S. 304, 306 (1948), that if the mandate does not contain instructions about the allowance of interest "the district court is powerless to award interest during the period between its original judgment and the judgment it enters on remand, since doing so would deviate from the mandate it has been given...").

Judgment orders "... that Plaintiffs are awarded a reasonable royalty for Defendant's knowing infringement of Monsanto's patent in the amount of $86,798.08." (App. at 4a) The Amended Judgment also reduces prejudgment interest from $63,026.95 to $42,086.72. In other respects, the original Judgment and the Amended Judgment are the same.

9. After the Federal Circuit's decision in *David I*, David filed a petition for a writ of certiorari with the Supreme Court. One of the three issues raised in the petition was whether the $487,000 award of attorney fees and costs was reasonable in relation to the result achieved, a compensatory damage award of $226,000. The petition was denied. *David v. Monsanto Company*, 129 S. Ct. 309 (Oct. 6, 2008).

10. Shortly after the petition for a writ of certiorari in *David I* was denied, the District Court on October 16, 2008, entered its Amended Judgment reducing compensatory damages. David appealed the Amended Judgment to the Federal Circuit, contending the $487,000 award of attorney fees and costs was not reasonable in relation to the $87,000 compensatory damage award. The Federal Circuit affirmed the Amended Judgment without opinion. *Monsanto Company v. David*, 334 Fed. Appx. 326, 2009 WL 3294671 (C.A. Fed. Oct. 14, 2009) ("*David II*").

REASONS FOR GRANTING THE WRIT

I. This Court Should Review Whether a Federal Statutory Award of Attorney Fees, Expert Expenses, and Costs in a Private Law Action (Not a Civil Rights Action Involving Important Civil and Constitutional Rights Providing a Broader, Uncompensated Benefit to the Public), in the Amount of $487,000, Is Reasonable in Relation to the Result Achieved, a Compensatory Damage Award of $87,000.

A. The question is important.

The Court of Appeals for the Federal Circuit has exclusive appellate jurisdiction over patent decisions of all federal district courts (except for patent issues arising only in a counterclaim). David on two occasions before the Federal Circuit has raised the issue of whether a federal statutory award of attorney fees, expert expenses and costs in a private law action must be reasonable in relation to the result achieved. On neither occasion has the Federal Circuit addressed this issue nor has it addressed the two United States Supreme Court cases pressed by David as controlling authority. First, in *David I*, the panel acknowledged that David made four arguments for reducing or eliminating the District Court's award of attorney fees and costs, and that the third argument was "that the amount of the attorney fee award ($323,140.05) does not bear a reasonable relation to the result achieved..." 516 F.3d at 1016. The Federal Circuit in *David I*

addressed three of David's arguments but did not address his third argument of proportionality of fees. 516 F.3d at 1016-1017. Nor did the panel's opinion address the two Supreme Court precedents David pressed as in conflict with the Federal Circuit's decision: *City of Riverside v. Rivera*, 477 U.S. 561, 574-575, 578, 585-587, 591-593 (1983); *Farrar v. Hobby*, 506 U.S. 103, 114-116 (1992). The Federal Circuit panel in *David I* did remand the case to the District Court for reduction of compensatory damages. The Federal Circuit in *David I* denied rehearing *en banc*.

Following the Federal Circuit's decision in *David I*, David filed in the Supreme Court a petition for a writ of certiorari. The petition raised three issues, one of which was whether the $487,000 federal statutory award of attorney fees and costs was reasonable in relation to the result achieved, a compensatory damage award of $226,000. The petition was denied. *David v. Monsanto Company*, 129 S. Ct. 309 (Oct. 6, 2008). On October 16, 2008, the District Court implemented the Federal Circuit's mandate by entering its Amended Judgment reducing the compensatory damage award from $226,214.40 to $86,798.08. The Amended Judgment awarded attorney fees of $323,140.05 and awarded "costs and expenses pursuant to the parties' Technology Agreement in the amount of $164,608.03." The Amended Judgment stated "that costs are taxed in the amount of $30,542.99, pursuant to 28 U.S.C. § 1920." (The parties and the District Court agreed that these costs were also included in the $164,608.03 award under the Technology Agreement.) The Amended Judgment

further awarded "enhanced damages in the amount of $10,000 additional damages."

David then appealed the Amended Judgment to the Federal Circuit on the grounds that the large reduction in compensatory damages down to $87,000 was a new fact found by the trial court and the total award of $487,000 for attorney fees and costs was unreasonable in relation to the compensatory damage award of $87,000. David again pressed *City of Riverside* and *Farrar* as controlling Supreme Court authority; oral argument was granted. The Federal Circuit panel affirmed the District Court's Amended Judgment *without opinion*.[4] *Monsanto Company v. David*, 334 Fed. Appx. 326, 2009 WL 3294671 (C.A. Fed. Oct. 14, 2009) ("*David II*).

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[4] The practice of deciding cases without opinions when the losing party's central authority is Supreme Court precedent is a practice this Court should discourage. *Judge Richard S. Arnold, A Legacy of Justice on the Federal Bench, Polly J. Price, Prometheus Books, 2009*, recounts at pages 356-357 remarks by Judge Arnold at Drake University Law School, Des Moines, Iowa in 1999, criticizing the practice of deciding cases without opinions:

> Arnold was asked about a story in the *New York Times* reporting that because of crushing workloads, some federal appeals courts are resorting to perfunctory one-word rulings - "Affirmed" or "Denied" - with no written opinion giving the court's reasoning. The practice is an "abomination," Arnold said. He told of participating recently in a court session where more than 50 cases were decided in two hours. "We heard many, many cases with no opinions or unpublished opinions." Arnold said, "I felt dirty. It was a ... betrayal of the judicial ethos. It makes me feel terrible."

The Federal Circuit's refusal to address the application of *City of Riverside* and *Farrar* in the context of patent infringement cases is that Circuit's entrenched position. *Supreme Court Practice*, Gressman, Geller, Shapiro, Bishop and Hartnett, 9th Ed., 2007, states at 287:

> Importance may be found in the Federal Circuit's treatment of patentability standards, or in its treatment of an exceptionally significant patent, *or in its application of prior Supreme Court precedent*, or in its treatment of combination patents - to mention some of the more obvious factors. See ...[citation omitted]; *J.E.M. AG Supply, Inc. v. Pioneer Hi-Bred Int'l, Inc.*, 534 U.S. 124 (2001); ...[citation omitted]. [Emphasis added]

The Federal Circuit's affirmance without opinion in *David II* is in conflict with Supreme Court precedent that is both direct and readily apparent. This is a trigger factor for certiorari review of a federal circuit decision.

Supreme Court Practice states at 250:

> Certiorari is often granted to clarify a matter where it is charged that the court of appeals has misconstrued an applicable Supreme Court opinion (*Elder v. Holloway*, 510 U.S. 510, 515 (1994); *SEC v. Edwards*, 543 U.S. 389, 392-393 (2004)), or misapprehended a Supreme Court opinion (*Schlude v. Commissioner*, 372 U.S. 128, 130 (1968)), or misconceived a Supreme Court opinion (*Wilkinson v. United States*, 365 U.S. 399, 401

> (1961)), or where the Court of Appeals decision "appeared to be in conflict with our precedents" (*Army Air Force Exchange Service v. Sheehan*, 456 U.S. 728, 733 (1982)). "Where the decision of the Court of Appeals clearly fails to apply prior Supreme Court decisions because of error or oversight, the Court usually grants certiorari. *See, e.g., Fullers v. United States*, 540 U.S. 519 [524-525] (2004) ..."

The Federal Circuit should not be left free to ignore applicable Supreme Court precedent embodied in *City of Riverside* and *Farrar*.

Further, it is important that the Supreme Court resolve this question because it resonates far beyond fee awards granted in patent cases under 35 U.S.C. § 285. Resolution of this question here will instruct all federal district and circuit courts on correct application of all federal statutes authorizing fee awards, except civil rights cases having a result providing a broader public benefit beyond the benefit to the private litigant.

In addition, the decision of the Federal Circuit (which has exclusive jurisdiction of all patent claims, except counterclaims) conflicts with the decisions of other circuit courts. *See*: *Thomas v. Peacock*, 39 F.3d 493, 506 (4th Cir. 1994); *Migis v. Pearle Vision, Inc.*, 135 F.3d 1041, 1047-48 (5th Cir. 1998); *Iron Workers Local No. 272 v. Bowen*, 624 F.2d 1255, 1265-66 (5th Cir. 1980).

B. The Federal Circuit decided the question incorrectly.

Other circuit courts of appeal have recognized that in private law actions the amount of an attorney fee award must be reasonable in comparison to the amount of the damage award. In *Thomas v. Peacock*, 39 F.3d 493, 506 (4th Cir. 1994) (remanded for recalculation of damages), the court contrasted fee awards in civil rights cases where fee shifting statutes are intended to provide an incentive for "private attorneys general" to enforce the statute, with private law actions such as ERISA actions (and here patent infringement actions) in which there is no statutory purpose of creating "private attorneys general." In *Migis v. Pearle Vision, Inc.*, 135 F.3d 1041, 1045, 1047-1048 (5th Cir. 1998), in a civil rights discrimination case the district court awarded two months back pay, $5,000 in compensatory damages, and $81,000 in attorney fees. The Fifth Circuit remanded for recalculation of attorney fees because the district court "did not give adequate consideration to the Eighth *Johnson* Factor, the amount involved and the result obtained." 135 F.3d at 1048. In doing so, the Fifth Circuit, citing *Farrar*, instructed the district court on "the rule that plaintiff's monetary success in a private civil rights suit must be the primary determinant of the attorney's fee." 135 F.3d at 1048. *Accord*: *Iron Workers Local No. 272 v. Bowen*, 624 F.2d 1255, 1265-66 (5th Cir. 1980) (plaintiffs in civil rights actions are "private attorneys general", but that purpose does not carry over to private law actions); *Corder v. Brown*, 25 F.3d 833, 836-837 (9th Cir. 1994) (remanded for fee reduction on the basis of

Farrar where plaintiffs recovered $24,000 but district court awarded $380,000 in § 1988 attorney fees).

The Federal Circuit's position also is in square opposition to *City of Riverside v. Rivera*, 477 U.S. 561, 574-575, 578, 585-587, 591-593 (1986). In *Riverside*, Justice Brennan's plurality opinion (three justices joined in the opinion, and Justice Powell concurred only in the judgment), in discussing reasonable fee factors in a civil rights case, said "The amount of damages a plaintiff recovers is certainly relevant to the amount of attorney's fees to be awarded under § 1988." 477 U.S. at 574. The opinion pointed out, however, that this was only one factor in civil rights cases because "Unlike most private tort litigants, a civil rights plaintiff seeks to vindicate important civil and constitutional rights that cannot be valued solely in monetary terms." *Id.*

The *Riverside* plurality opinion by Justice Brennan explained at 477 U.S. 575:

> Because damages awards do not reflect fully the public benefit advanced by civil rights litigation, Congress did not intend for fees in civil rights cases, unlike most private law cases, to depend on obtaining substantial monetary relief.
>
> ****
>
> Congress recognized that reasonable attorney's fees under § 1988 are not

> conditioned upon and need not be proportionate to an award of money damages.

At 477 U.S. 578, the plurality continued its explanation of why proportionality between statutory fees and monetary damages recovered was *not always* desirable in civil rights cases:

> A rule of proportionality would make it difficult, if not impossible, for individuals with meritorious civil rights claims but relatively small potential damages to obtain redress from the courts. This is totally inconsistent with Congress' purpose in enacting § 1988.

Justice Powell's concurring (in the judgment only) opinion also recognized the importance of a reasonable relation between fees awarded and the amount recovered where the "recovery of private damages is the purpose" of the case rather than "the vindication of constitutional rights in addition to the amount of damages recovered." 477 U.S. at 585. Thus all five Justices forming the *Riverside* majority endorsed the proportionality principle where public benefits are not sought.

Four justices dissented in *Riverside* because they believed the case at hand did *not* achieve such non-monetary constitutional public benefits and therefore should be judged as if it was a private law action. Justice Rehnquist's dissent said:

> In the private sector, "billing judgment" is an important component in fee setting. It is no less important here. Hours that are not

> properly billed to one's *client* also are not properly billed to one's *adversary* pursuant to statutory authority. 461 U.S. at 434, 103 S. Ct. at 1940, quoting *Copeland v. Marshall*, 205 U.S. App. D.C. 390, 401, 641 F.2d 880, 891 (1980) (en banc) (emphasis in original).

Justice Rehnquist's dissent explained at 477 U.S. 593:

> If A has a claim for contract damages in the amount of $10,000 against B, and retains an attorney to prosecute the claim, it would be both extraordinary and unjustifiable, in the absence of any special arrangement, for the attorney to put in 200 hours on the case and send the client a bill for $25,000. Such a bill would be "unreasonable," regardless of whether A obtained a judgment against B for $10,000 or obtained a take-nothing judgment...any competent attorney, whether prosecuting or defending a contract action for $10,000, would realize that the case simply cannot justify a fee in excess of the potential recovery on the part of either the plaintiff's or the defendant's attorney.... The very "reasonableness" of the hours expended on a case by a plaintiff's attorney necessarily will depend, to a large extent, on the amount that may reasonably be expected to be recovered if the plaintiff prevails.

Thus all nine justices in *Riverside* supported the principle that in a private law action, any award of fees and costs must be reasonable in relation to

the monetary damages obtained. *Accord: Farrar v.* Hobby, 506 U.S. 103, 114-116 (1992); *Silverman v. CBS, Inc.*, 675 F. Supp. 870, 871 (S.D. N.Y. 1988), *affirmed in part, vacated in part* (fee reduction affirmed) 870 F.2d 40 (2d Cir. 1989), *cert. denied,* 492 U.S. 907 (1989) (copyright case, $185,887 in fees requested on $9,403 recovery, $10,000 fee award); *Bemis v. Hogue*, 935 F.2d 269, 1991 WL 102385, p. 6 (6th Cir. 1991) ($17,425 fee request, $2,500 awarded); *In re South Dakota Microsoft Antitrust Litigation*, 707 N.W.2d 85, 108 (S.D. 2005) (fee award of $2,064,000 "has no reasonable relation to the $466,000" recovery).

Any question after *Riverside* about whether statutory attorney fees must be reasonably related to the money damages recovered, where no broader public benefit is achieved, should have been put to rest in *Farrar v. Hobby*, 506 U.S. 103 (1992). In *Farrar*, plaintiff's suit obtained a jury verdict that plaintiff had been deprived of a civil right but plaintiff was awarded only nominal damages. 506 U.S. at 106-107. The district court nevertheless awarded attorney fees and expenses of $307,000. The Fifth Circuit reversed the fee award and denied award of any fees because there was only "a nominal award of one dollar ... nor was the result a success for the [plaintiff] on a 'significant issue ...'" *Estate of Farrar v. Cain*, 941 F.2d 1311, 1315 (5th Cir. 1991). In affirming the Fifth Circuit's denial of fees, Justice Thomas' majority opinion in *Farrar v. Hobby*, said:

> Where recovery of private damages is the purpose of ... civil rights litigation, a district court, in fixing fees, is obligated to give

> primary consideration to the amount of damages awarded as compared to the amount sought." *Riverside v. Rivera*, 477 U.S. 561, 585, 106 S. Ct. 2686, 2700, 91 L. Ed. 2d 466 (1986) (Powell, J. concurring in judgment). Such a comparison promotes the court's "central" responsibility to "make the assessment of what is a reasonable fee under the circumstances of the case." *Blanchard v. Bergeron*, 489 U.S. 87, 96, 109 S. Ct. 939, 946, 103 L. Ed. 2d 67 (1989).

506 U.S. at 114-115.[5] The Supreme Court criticized the district court at 506 U.S. 115-116:

> In an apparent failure to heed our admonition that fee awards under § 1988 were never intended to "'produce windfalls to attorneys,'" *Riverside v. Rivera*, *supra*, 477 U.S., at 580, 106 S. Ct. at 2697 (plurality opinion) (quoting S. Rep. No. 94-1011, p. 6 (1976) U.S. Code Cong. & Admin. News 1976 pp. 5908, 5913), the District Court awarded $280,000 in attorney's fees without "consider[ing] the relationship between the extent of success and the amount of the fee award." *Hensley*, *supra*, 461 U.S., at 438, 103 S. Ct., at 1941.

Thus, in a civil rights case which does not achieve a significant public benefit in addition to monetary damages a statutory award of attorney fees must be

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[5] Justice O'Connor's concurrence joined in Justice Thomas' opinion and concurred in the judgment. 506 U.S. at 116.

reasonably related to the monetary award obtained. The same reasonable relationship is clearly required in a private patent action benefiting only Monsanto.

The huge award of attorney fees and costs in this case cannot be justified by contending that the award was made under the Technology Agreement entered into between Monsanto and David, which the Federal Circuit found "contains a clause granting Monsanto the full amount of its legal fees and other costs that may have to be expended in enforcing the agreement." *David I* at 516 F.3d 1012. First, compensatory damages were awarded under 35 U.S.C. § 284, which allowed Monsanto to use as a measure of damages a reasonable royalty that would have resulted from a hypothetical negotiation between Monsanto and David. (Dist. Ct. Op. April 20, 2006, p. 10-12) (App. 35a-39a) Monsanto's damage expert testified that he had no knowledge of any revenue lost by Monsanto because of the infringement other than the $7.75 tech fee charged per bag of seed. (*David I* Fed. Cir. App. p. 185) Monsanto's damage expert testified that a new bag of seed would have cost David only $21.00 per bag, which included the $7.75 tech fee. However, the reasonable royalty ordered by the District Court under § 284 was much greater - $54.04 per bag. *David I* at 516 F.3d 1018. Since the damage award was under § 284, the fee award must be under § 285, not under a contract.

Second, the only reason David entered into the Technology Agreement was because of Monsanto's patent monopoly on Roundup Ready soybean seed. (Monsanto currently has a 98 percent

share of the soybean biotech trait market and is the subject of a federal antitrust investigation; *Des Moines Register*, January 9, 2010, p. 7B). When the finding of a breach of contract depends upon whether a patent was infringed, 35 U.S.C. § 285 governs the extent to which the district court may award attorney fees. *Interspiro U.S.A., Inc. v. Figgie International, Inc.* 18 F.3d 927, 933 (Fed. Cir. 1994). Monsanto's claimed contract breach is that David infringed the Monsanto patent. Therefore 35 U.S.C. § 285 governs the extent of any award of attorney fees, and § 285 or 28 U.S.C. §§ 1920 and 1821(b) should govern any award of costs or litigation expenses. This is a specific remedy allowed by Title 35 and the remedy cannot be enlarged by a contract between private parties. The court in *Connolly v. Pension Benefit Guaranty Corp.*, 475 U.S. 211, 223-224 (1986), instructed:

> Contracts may create rights of property, but when contracts deal with a subject matter which lies within the control of Congress, they have a congenital infirmity. Parties cannot remove their transactions from the reach of dominant constitutional power by making contracts about them." *Norman v. Baltimore & Ohio R. Co.*, 294 U.S. 240, 307-308, 55 S. Ct. 407, 415-16, 79 L. Ed. 885 (1935).
>
> If the regulatory statute is otherwise within the powers of Congress, therefore, its application may not be defeated by private contractual provisions.

Accord: B & G Enterprises, LTD. v. United States, 220 F.3d 1318, 1323 (Fed. Cir. 2000) (quoting

Connolly); *United States v. Blue Cross/Blue Shield of Alabama*, 999 F.2d 1542, 1547 (11th Cir. 1993) (quoting *Connolly*). Monsanto accepted the benefits of its statutory patent monopoly and accepted statutory compensatory damages. It cannot expand by contract its statutory remedies for attorney fees and costs.

When Monsanto sues a farmer like David, who maintains his innocence, Monsanto's business plan is to win that lawsuit at any cost. Monsanto believes that no matter how much it spends to prosecute a case against an alleged seed saving farmer, the prosecution of the case will reap monetary benefits in excess of its litigation costs. A stark example of this is a comparison of the litigation expense of Monsanto and the litigation expense of David during February of 2006, the month in which the five days of trial (discounting time off) were held. Monsanto paid its law firm $147,373.65 during that month for services billed by seven persons (*David II* Fed. Cir. App. 1577-1583). Monsanto also paid an expert witness bill for February 2006 services in the amount of $39,037 (Defendant's Objection to Monsanto's Bill of Costs, District Court Docket No. 227, at pp. 4-5). David paid his sole trial attorney $24,972.50 in attorney fees for February 2006 (Defendant David's Memorandum in Resistance to Monsanto's Motion for Attorney Fees and Costs, attached Affidavit of Bruce E. Johnson, District Court Docket No. 225; Defendant Loren David's Supplement to Divisions I and III of his Memorandum in Resistance to Monsanto's Motion for Attorney Fees and Costs, District Court Docket No. 230, at p. 2).

The court made a point that David "has not once admitted that any of the actions taken regarding his 2003 growing season were not proper." (App. 17a, ruling on motion for attorney fees.) The purpose of awarding attorney fees is not to punish the defendant. The District Court awarded $10,000 as enhanced damages because it found David's infringement was willful.

Monsanto would not incur these extraordinary attorney fees and expenses unless it thought that by using Petitioner as an example of what Monsanto can do to a farmer, Monsanto could increase revenues enough to justify these excessive expenditures. Petitioner is not obligated by § 285 to finance the cost of Monsanto's business plan.

CONCLUSION

Awarding Monsanto $487,000 in attorney fees and expenses when the compensatory damage award is $87,000 is simply unfair. There is no justification for requiring an individual farmer to subsidize Monsanto's broader business plan. Such an award does not implement Congressional intent in enacting statutes authorizing awards for attorney fees and costs. The petition for a writ of certiorari should be granted.

Respectfully Submitted,

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